

Registered number: 03209411

Charity number: 1056812

**Seven Stories, The National Centre
for Children's Books Limited**

(A company limited by guarantee)

Annual report

31 March 2024

Seven Stories, The National Centre for Children's Books Limited
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 10
Trustees' responsibilities statement	11
Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Limited	12 - 15
Consolidated statement of financial activities	16
Consolidated balance sheet	17
Charity balance sheet	18 - 19
Consolidated statement of cash flows	20
Notes to the financial statements	21 - 47

Seven Stories, The National Centre for Children's Books Limited
(A company limited by guarantee)

Reference and administrative details
Year ended 31 March 2024

Trustees	Annalei Bartlett Nick Kemp Louise Forster Matthew McWhinnie Emma Layfield Ben Butler Rachel Lippe Claire Riley, Chair
Company registered number	03209411
Charity registered number	1056812
Registered office	30 Lime Street Ouseburn Valley Newcastle upon Tyne NE1 2PQ
Chief executive officer	Wendy Elliott
Independent auditor	UNW LLP Chartered Accountants Citygate St James Boulevard Newcastle upon Tyne NE1 4JE
Bankers	NatWest 4 Bridge Street Morpeth Northumberland NE61 1NG CAF PO Box 289 Kings Hill West Mailing Kent ME19 4TA Unity Trust 9 Brindley Place Birmingham B1 2HB

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' report

Year ended 31 March 2024

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Seven Stories, The National Centre for Children's Books Limited ("Seven Stories") (the company) for the year ended 31 March 2024. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

Policies and objectives

Seven Stories is the National Centre for Children's Books. Our focus is literature and associated illustrations and related material specifically created for children, and the various ways these are shared, collected, conserved, promoted, and disseminated. We aim to enhance lives through access to stories.

Our vision is to put stories at the heart of every childhood, empowering young people to understand their world and imagine their future.

We celebrate the exceptional achievements of British and international writers and illustrators for children, saving their work as part of our nation's heritage, for the enjoyment and inspiration of current and future generations.

The object of the charity, as set out in our governing document, is to advance the education of the public, in particular, children and young people, in the arts and literature through the promotion of Britain's literary heritage for children, and in particular, but not exclusively, by preserving, maintaining and adding to the Collection held by the Seven Stories Collection Trust and by the promotion of access to the Collection and associated items through arts and education programmes and activities.

Main activities undertaken to further the charity's purposes for the public benefit

The charity undertakes a variety of activities to deliver its objectives, including education and community centred engagement, the promotion of literacy and reading, running an attractive Visitor Centre with an active events programme, digital delivery to ensure accessibility and reach, and developing and maintaining a collection of books, manuscripts, illustrations and related materials.

Our Visitor Centre in Newcastle upon Tyne houses exhibition galleries as well as performance and creative learning spaces, a specialist bookshop and a café. We have a regular and engaging events programme including story-telling, author and illustrator talks, and creativity development and learning. An extensive external programme supports talent development and brings creative activity into schools and communities to reach young people, helping to promote literacy and creativity, via face-to-face engagement and our developing use of digital platforms.

The Collection is an internationally renowned archive comprising of manuscripts, artwork, related papers and books, dating from the 1930s to the present day. We hold National styling through Arts Council England's accreditation scheme, acknowledging the singularity and significance of our work to protect and share our literary heritage for children. We use our Collection as an artistic, educational and research resource to celebrate the literary and visual arts through exhibitions, displays and learning programmes, both at our Visitor Centre, and in facilities across the UK through our touring programme.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 March 2024**

Objectives and activities (continued)

While entry to our Visitor Centre is free, we do make some charges to our audience for some activities and events, including to schools and members of the general public. Our admission charges are kept as low as possible in order to enable wider access, balanced with the need to earn income and ensure the charity's viability. We also ensure community funded places are available for all of our programme, and seek corporate support for community places on our regular seasonal programme such as summer school and Christmas community events.

We seek to work in communities, particular disadvantaged communities in our local area, and receive financial support for such purposes.

At all of our Trustee meetings we keep in mind the Charity Commission's guidance on public benefit. As Trustees we see the benefits our audience, partners and communities gain from our organisation.

Staff and volunteers

Seven Stories employed an average of 40 people (26 full time equivalent) in total during 2023/24; 31 on permanent contracts and 7 on casual contracts. 18 staff were full time staff and 22 on a part time basis. We have strengthened skills in key areas including education, and are now looking to recruit to strategic business development roles.

22 volunteers have supported us during the year including regular Collection volunteers and seasonal roles helping with Christmas events, as well as marketing and digital support.

Strategic report

Achievements and performance

Accreditation and awards

Seven Stories is a National Portfolio Organisation (Band 2) supported by Arts Council England. It is also an Accredited Museum with National styling.

Review of activities

Organisationally we are committed to the overarching outcome of addressing diminished literacy and oracy levels across the region as well as embedding access and inclusion to all we do.

In this year we are delighted to confirm that our visitor numbers increased to 80,000 per annum, our highest ever, including a very welcome increase in new visitors from less affluent communities. We are proud that we have been able to maintain our free entry model as well as opening 6 days a week in term time, in the face of a challenging external economic environment.

This was the first financial year of Arts Council England NPO funding for the period 2023-2026, and regular reporting against our outcomes and objectives supported that our charitable activities, and educational and community aspirations are aligned with our regional and national delivery.

We were also delighted to launch our new website and CRM, with the support of the Bloomberg Philanthropies' Digital Accelerator for Arts and Culture.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2024

Strategic report (continued)

Achievements and performance (continued)

Major areas of progress have included the formal acceptance into the Collection of the Gerald Rose archive, which we believe will have lots of opportunities to develop work to support and entertain children in the coming years. Following a refresh of the Collection Trust Board members, we rewrote our Collection Strategy and Acquisition plan, ensuring we have the right foundations for future growth and diversification.

Within the Visitor Centre we offered programmes and events that met the needs of our growing audiences, and sought to find a balance between successful commercially recognised events (to accommodate new audiences) whilst ensuring the programme supports creative inclusive activities associated to reading and creative writing and illustration. This included our Midsummer Night's Dream summer school programme, for which we are able to provide more than 50% of free community places.

We invested significantly in our education offer and team during this year with a planned launch of a new Collection centred school offer early for the next academic year, designed in collaboration with teachers and other educational experts. This has streamlined the number of activities previously offered and brought it up to date with the renewed educational priorities and positive well-being outcomes.

Our audience continue to want to engage in experiences with us, so our storytelling capacity is key to delivering immersive experiences both within our venue and into communities and schools across our region, all underpinned by our key mission to increase access and participation in reading initiatives to support reading for pleasure. We continued our work widening access as both a National Centre but also a regional organisation utilising the national asset of our Collection.

We have engaged with more communities in our building and externally through face to face delivery, focusing on delivering support to children and families most in need. We continued to develop and maintain relationships with partner organisations to supplement support of the most in need local disadvantaged communities. With the support of StreetGames UK we were able to provide a Holiday Activity club for children in receipt of free school meals across each of the 3 main holidays, enhanced over winter with our Warm Winter space, where people were able to have a warm drink and something to eat. During the summer the Shaun the Sheep trail supported our visitor numbers and we were able to have seven sheep located strategically around our building to encourage people to use all of our spaces.

Across the year we refreshed our exhibitions and spaces within the Visitor Centre to enhance the experience of our visitors, including opening of a new Young Adult annex within our bookshop, installing the Martin Brown exhibition of original artwork which included Horrible Histories (we were delighted to welcome Martin to the building on a number of occasions for events) and refreshing our Story Station with the support of Winns Solicitors, co-creating a beautiful sensory space with children and families from Byker to support access programmes for our most underrepresented communities.

Our touring programme continued with Judith Kerr's The Tiger Who Came to Tea facsimile tour and David McKee's Elmer and Friends original artwork both touring nationally.

Leadership

Continued stability in the leadership and governance structure enabled us to embed best practises within the organisation, and our new subcommittee structures took shape.

This was reflected through strengthened relationships with Trusts and Foundations and other external stakeholders including regional universities, local multi-academy Trusts, publishing houses, the NHS and the Combined Authority. This puts us in a strong place for future growth.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2024

Strategic report (continued)

Achievements and performance (continued)

The Seven Stories Chief Executive has overall management responsibilities for the organisation, supported by a Finance Director, a Director of Systems and Operations and our Creative Lead in Residence. It was recognised that further work to strengthen the leadership team was required in particular for Collections and Exhibitions, with a robust recruitment process being completed post year end. The Chief Executive has overall responsibility for the successful delivery of the business strategy, reporting to the Board.

Fundraising and development

Seven Stories has a small development and relationship workforce that oversees our fundraising, marketing and communication activities and manages the grants and donations received from trusts and foundations. We aim to generate funds through a small number of fundraising campaigns, in addition to working with corporate donors and sponsors. Relationships are also cultivated to encourage support and donations to the Collections' Trust, either direct gifts of artwork and manuscripts or financial support for the purchase thereof. Heritage assets valued at £80,000 (£813,750 in 2022/23) were donated to The Collection Trust from the Gerald Rose estate.

Financial review

The financial position of the organisation and performance during the year reflects external pressures from the cost of living situation and from increases in food and utility costs, as well as increased competition for Trust and Foundation funding in the face of huge need. This resulted in our new income streams taking longer to establish than expected.

A loss of £66,295 was made on unrestricted funds, compared with a loss of £118,449 in the prior year. Combined with losses on restricted funds and restricted capital funds, there was an overall loss of £213,949 for the year compared with a surplus of £600,811 in the preceding year. 2023/24 was the sixth year of delivery of our Arts Council England National Portfolio Organisation activity, which was granted originally to support our work from 2018/19 to 2021/22. The overall annual grant was £588,230.

Other grants awarded during the year included:

- £44,402 from the Enid Blyton Fund for Seven Stories managed by the Community Foundation.
- £20,000 from the Newcastle Culture Investment Fund managed by the Community Foundation.
- £15,000 from the James Knott Trust
- £17,635 from StreetGames UK

We are grateful to the following organisations who supported our work during the financial year:

Corporate Sponsors & Supporters:

Fenwick
Winns Solicitors

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 March 2024**

Revenue and Project Grants:

Arts Council England
Bloomberg Philanthropies
Community Foundation
Enid Blyton Fund for Seven Stories
Community Foundation - Jeremy Beecham
Community Foundation - Newcastle Culture Investment Fund
The Esmée Fairbairn Collections Fund - delivered by the Museums Association
St Nicholas Educational TrustHelen Bailey Trust
The James Knott Trust
StreetGames UK

and the Friends of Seven Stories and many other individual supporters

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that the cost of living pressures will continue to have some impact in relation to expected performance but that these can be mitigated through ongoing cost control and diversification of income and delivery methods. Our charitable objectives already mean we deliver activities that align with the aims of many trusts and foundations.

Our risk management process enables trustees to have greater assurance and complies with the latest Charity Commission recommendations.

We will continue to develop our business model to ensure resilience and, at the same time, fully deliver our charitable objectives as a viable business and sustainable organisation.

While the challenges we face are in line with other similar organisations, we have strengthened our position to respond due the unique assets we hold. This is aligned to our plans for the building and for external offers including a strong education and community programme. Due to receipt of a generous unrestricted cash legacy from Lindy McKinnel and Robert Westall, we are in a stronger position than previous years to continue to deliver diverse income streams.

New external educational and community activity is being implemented successfully. We are expanding digital programming, products and services for families and schools, as well as our award winning community programmes.

Reserves policy

Trustees reviewed the reserves policy in September 2015 following the completion of a capital refurbishment project. It was agreed that the minimum level of cash reserves should be equivalent to those that allow the charity to fulfil its statutory obligations arising on closure and provide sufficient working capital to enable arrangements to be made to re house the Collection. This minimum reserve requirement was estimated to be £175,000 at March 2024.

The Trustees also agreed that additional reserves should be set aside to enable the charity to respond to significant unplanned events, such as unexpected capital expenditure or the loss of a key funding stream. Including provision for these unplanned events, the reserves target is between £350,000 to £425,000.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2024

At 31 March 2024, the group held free reserves of £60,084 in deficit (£53,138 deficit in 2022/23), being £142,060 unrestricted funds less £37,173 intangible fixed assets and less £164,971 of tangible fixed assets as a decision was made to invest in the website and new Gallery spaces during the previous years. Our financial strategy will enable the level of reserves to be increased over the next four years as the charity continues to build the surplus position of unrestricted funds.

Plans for future periods

We were grateful to learn that we are recipients of an estimated £170,00 legacy from the estate of Lindy McKinnel and Robert Westall during 2024-2025, and have exciting plans to share the Westall portfolio with a new audience while honouring both of their memory.

Recruitment to the key role of Collections and Exhibitions Director during 2024/2025 will support with our development including maintaining, growing and diversifying the Collection while ensuring access, and refreshing our Exhibition and Touring offer with associated income pipelines. These will form part of wider plans around our 20th anniversary in the Visitor Centre

Our revised education offer, developed in collaboration with educational experts, will also underpin growth in this area.

We are able to draw down £41,000 from the Community Foundation - Enid Blyton Fund for Seven Stories to invest in capital work to support access and inclusion in the face of the demands of increased footfall to the Visitor Centre.

We will also continue to develop work to open regional hubs in line with our ACE business plan.

These activities will help to create a platform for future development and growth, and will underpin our plans to

- Continue to increase and diversify our audience including prioritising access and participation by children and young people and disadvantaged communities. We will target, in particular, people and communities that are facing difficulties in engaging with us.
- Expanding our portfolio of activities to enable the greater achievement of our objectives, and enhanced financial sustainability.
- Investment in business development capacity to achieve earned income generation for future sustainability, harnessing corporate support for our educational and community impact work.
- Continue to invest in innovation in our Gallery spaces forming partnerships to explore new ways of showcasing our Collection.
- Invest and develop touring programme, in particular facsimile tours, to ensure we remove barriers to access by touring to a wider range of accessible venues.
- Our work to diversify programmes including education and community based activities will be focussed on improving literacy and oracy.
- The extension of the diversification programmes, including education and community based activities.
- The identification of the most appropriate commercial models, particularly to access the Visitor Centre introducing extended use of our visitor centre and extension of our audiences.
- The development of management and organisational capacity, and investment in CPD for our staff.
- Consolidation of finances, including reserves.

Our business plan for the next financial year builds on ongoing control of costs; with significant focus on growing and diversifying income, notably through schools and communities, touring, work with regional partners (Universities, NHS, the Combined Authority) and an enhanced Visitor Centre experience.

We will prioritise implementation of our enhanced educational offer to support literacy and oracy challenges in our region, using the IP of our team and the Collection to deliver best practice across educational and community settings, which will be accompanied by a sales plan to maximise income streams.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 March 2024**

We will optimise the asset of our venue to ensure we are hosting and trading longer and through adult initiatives like our late shows programme. We will extend and deepen the book and story related activities we deliver. We will seek support from grant funding to enhance our core education and community impact activities, as well as to support our Collection and Exhibitions.

We will develop robust membership scheme and profile raising initiative using our enhanced data capacity. Our Bloomberg support will enable us to improve membership and fundraising campaigns.

We will embed significant development work with our Collection, developing an aspirational strategy to support an exciting, modern asset that maintains national and international significance. We will continue to enhance its management and accessibility, including through the partnerships with our key 5 regional universities.

We will build new capacity through the continuation of our workforce development initiatives empowering a workforce that represents the region and broadens on our creative communities aspirations where local children can imagine a creative career.

Structure, governance and management

Constitution

Seven Stories, The National Centre for Children's Books is a company limited by guarantee governed by its Articles of Association. It was first registered with the Charity Commission on 7 May 1996. The charity's governing documents, and those of its related parties, were reviewed and updated in October 2018.

Methods of appointment or election of Trustees

The management of the group and the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

Organisational structure and decision-making policies

The Board of Trustees administers the charity. The Board meets four times a year under usual circumstances, and there are two committees at present, the Finance, Risk and Governance Committee and the Collection Committee.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance, employment and artistic activity.

To fulfil these responsibilities, the Chief Executive worked with a senior management team comprised of the Finance Director and Director of Systems and Operations. Since year end a Collections and Exhibitions Director has also been appointed as part of the senior management team.

Pay policy for senior staff

The rates of pay and remuneration of all staff, including the senior management team, are set by the Board of Trustees. The annual pay review considers statutory changes, inflation, the affordability of a pay award in the context of financial performance, benchmarking to similar organisations and the outcomes of an individual appraisal process.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2024

Structure, governance and management (continued)

Related party relationships

Seven Stories has two related entities: Seven Stories Trading Company and Seven Stories Collection Trust. The accounts of these entities are consolidated with those of the main charity in these accounts.

Seven Stories Trading Limited is the charity's wholly owned subsidiary, a company limited by shares, registered in England and Wales, number 04177830. It operates commercial activities including the bookshop, cafe and corporate events. The subsidiary company commenced trading on 19 August 2005. Profits of the subsidiary are gifted to the charity.

Seven Stories, The National Centre for Children's Books' Collection Trust is an independent charitable trust which was established by a Declaration of Trust dated 9 June 2005 and whose Trustees are appointed by Seven Stories Board of Trustees. It is a separate charity, registered with the Charity Commission with charity number 1115167. The main object of the Collection Trust is to own and protect the archive. It is supported by Seven Stories staff through a management agreement dated 25 August 2006. These accounts are consolidated solely to comply with SORP and company law requirements and are not intended to affect the status of both charities as separate legal entities.

The trading company's Articles of Association and the Collection Trust's Deed of Trust and management agreement were updated in 2015. This reflected the change of name of the main Charity, and also aligned these documents with the changes made in the Charity's Articles and recent legislation. For the Collection Trust, these changes were agreed through a Deed of Variation at the Trustees meeting held on 25 February 2016. For the trading company, the changes were adopted by special resolution at a meeting of the trading company Directors on 18 November 2015.

Key risks and uncertainties

The key risks facing Seven Stories in 2023/24 are associated with maintaining business viability and sustainability in an environment which is challenging for all arts and cultural venues facing an uncertain public and private funding landscape, while ensuring we continue to meet our charitable objectives.

A key aspect of these risks is ensuring the organisation develops its governance, its portfolio of activities and offers, its management and organisational capability and its financial reserves, to be resilient in the face of such changes.

While we have continued to control expenditure and invest in new income streams (in particular education), uncertainty over how audiences will behave in the future, the impact of inflation on our costs, changing government policy, and potential issues around the availability of funding will continue to be carefully monitored.

Other potential immediate risks could arise from the impact of the current economic challenges on our own expenditure and on reductions in the visitor income. Other risks associated with this include:

- Lack of business continuity from key suppliers and contractors ceasing to trade;
- Failure to meet fundraising, donations and sponsorship income targets.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2024

Structure, governance and management (continued)

Risk mitigation

The priorities outlined in 'Plans for future periods' above have been identified specifically in order to address these concerns. Progress towards these strategic objectives is being very closely monitored by the Board and Arts Council England.

Our risk schedule is reviewed and updated at each Board meeting and work is ongoing to ensure that risk management is embedded from governance of the organisation and throughout the management structure.

Information on fundraising practises

Our general approach to fundraising is to work with existing networks and relationships, with general, non-targeted appeals for specific projects. This includes our Friends, Chapter One founders, corporate and general visitors. We are mindful to ensure the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate. Seven Stories does not work with any commercial participators or professional fundraisers, beyond using fundraising websites such as Crowdfunder or Big Give.

Our fundraising conforms to recognised standards and, if there were any complaints about our approach, they would be handled using our formal Complaints Policy and Procedures. There were no complaints in the year under review.

Disclosure of information to auditor

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that the trustees are aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- the trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, UNW LLP, has indicated his willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Approved by order of the members of the board of trustees on 12 December 2024 and signed on their behalf by:

Signed by:

B8A4CC9658F24FE...
Claire Riley, Chair

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Statement of trustees' responsibilities Year ended 31 March 2024

The trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of trustees on 12 December 2024 and signed on its behalf by:

Signed by:

 B8A4CC9658F24FE...
Claire Riley, Chair



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Limited

Opinion

We have audited the financial statements of Seven Stories, The National Centre for Children's Books Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Limited (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Limited (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the group's legal correspondence and we discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations within our audit team and remained alert to any indications of non compliance throughout the audit.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, safeguarding, data protection and certain aspects of company legislation, recognising the nature of the group's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance.



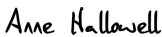
Independent auditor's report to the members of Seven Stories, The National Centre for Children's Books Limited (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Anne Hallowell BSc DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
 Chartered Accountants
 Newcastle upon Tyne

12 December 2024

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)

Year ended 31 March 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted capital funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:						
Donations and legacies	4	9,756	-	80,900	90,656	828,849
Charitable activities	5	903,648	33,909	-	937,557	1,093,445
Other trading activities	6	306,523	-	-	306,523	284,260
Investments		-	507	12	519	393
Other income		11,430	-	-	11,430	12,486
Total income and endowments		1,231,357	34,416	80,912	1,346,685	2,219,433
Expenditure on:						
Raising funds	7	266,581	-	-	266,581	243,585
Charitable activities		1,086,008	58,128	150,288	1,294,424	1,373,886
Total expenditure		1,352,589	58,128	150,288	1,561,005	1,617,471
Net (expenditure)/income before net gains/(losses) on investments		(121,232)	(23,712)	(69,376)	(214,320)	601,962
Net gains/(losses) on investments	14	371	-	-	371	(1,151)
Net expenditure)/income		(120,861)	(23,712)	(69,376)	(213,949)	600,811
Transfers between funds	18	54,566	(54,566)	-	-	-
Net movement in funds		(66,295)	(78,278)	(69,376)	(213,949)	600,811
Reconciliation of funds:						
Total funds brought forward		218,604	224,221	6,615,397	7,058,222	6,457,411
Net movement in funds		(66,295)	(78,278)	(69,376)	(213,949)	600,811
Total funds carried forward		152,309	145,943	6,546,021	6,844,273	7,058,222

The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 21 to 47 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated balance sheet At 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	11	37,173	29,110
Tangible assets	12	1,307,192	1,533,034
Heritage assets	13	5,427,837	5,346,937
Investments	14	9,248	8,877
		<u>6,781,450</u>	<u>6,917,958</u>
Current assets			
Stocks	15	23,204	38,049
Debtors	16	89,350	75,195
Cash at bank and in hand	21	115,033	210,722
		<u>227,587</u>	<u>323,966</u>
Creditors: amounts falling due within one year	17	(164,764)	(183,702)
Net current assets		<u>62,823</u>	<u>140,264</u>
Total assets less current liabilities		<u>6,844,273</u>	<u>7,058,222</u>
Total net assets		<u>6,844,273</u>	<u>7,058,222</u>
Charity funds			
Restricted capital funds	18	6,546,021	6,615,397
Restricted funds	18	145,943	224,221
Unrestricted funds	18	152,309	218,604
Total funds		<u>6,844,273</u>	<u>7,058,222</u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 12 December 2024 and signed on their behalf by:

Signed by:

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Claire Riley, Chair

The notes on pages 21 to 47 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Balance sheet At 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	11	37,173	29,110
Tangible assets	12	1,307,192	1,533,034
Heritage assets	13	30,000	30,000
Investments	14	9,249	8,878
		<u>1,383,614</u>	<u>1,601,022</u>
Current assets			
Debtors	16	69,055	75,068
Cash at bank and in hand		94,504	181,595
		<u>163,559</u>	<u>256,663</u>
Creditors: amounts falling due within one year	17	(146,642)	(165,133)
Net current assets		<u>16,917</u>	<u>91,530</u>
Total assets less current liabilities		<u>1,400,531</u>	<u>1,692,552</u>
Total net assets		<u><u>1,400,531</u></u>	<u><u>1,692,552</u></u>
Charity funds			
Restricted capital funds	18	1,142,221	1,290,402
Restricted funds	18	200,509	224,221
Unrestricted funds	18	57,801	177,929
Total funds		<u><u>1,400,531</u></u>	<u><u>1,692,552</u></u>

Seven Stories, The National Centre for Children's Books Limited
(A company limited by guarantee)

Balance sheet (continued)
At 31 March 2024

The charity's net movement in funds for the year was a loss of £292,021 (2023: loss of £180,669).

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 12 December 2024 and signed on their behalf by:

Signed by:

B8A4CC9658F24FE...
Claire Riley, Chair

Company registered number: 03209411

The notes on pages 21 to 47 form part of these financial statements.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	20	(50,314)	29,153
Cash flows from investing activities			
Purchase of intangible assets		(28,375)	(14,000)
Purchase of tangible fixed assets		(17,000)	(9,825)
Transfer from stock		-	(20,000)
Net cash used in investing activities		(45,375)	(43,825)
Change in cash and cash equivalents in the year		(95,689)	(14,672)
Cash and cash equivalents at the beginning of the year		210,722	225,394
Cash and cash equivalents at the end of the year	21	115,033	210,722

The notes on pages 21 to 47 form part of these financial statements

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

1. General information

Seven Stories, The National Centre for Children's Books Limited ('the charity') is a charitable company incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is given in the reference and administrative details page of these financial statements and the principle activities of the charity are given in the trustees' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Seven Stories, The National Centre for Children's Books Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

Trustees have determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. Whilst the board expects that the cost of living pressures will continue to have some impact in relation to expected performance, this can be mitigated through ongoing cost control and diversification of income and delivery methods. Further details are given in the trustees report.

Management continue to monitor the cash flow forecast on a weekly basis, and our cash reserves remain positive.

Risks are considered by the Board at its regular meetings, with mitigations implemented and monitored.

Having considered all the steps taken as described above, and taking into account the positive cash forecast of the organisation, the Trustees consider that the going concern basis of preparation remains appropriate.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

2. Accounting policies (continued)

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be when the probate valuation of the gifted assets is received.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Museum and galleries tax relief income is recognised based on a prudent estimate of the amount of qualifying expenditure and applying the repayment rates set out in current HMRC legislation.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of raising funds are those incurred by Seven Stories Trading Limited. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at the head office.

Seven Stories, The National Centre for Children's Books Limited
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 March 2024

2. Accounting policies (continued)

2.4 Expenditure (continued)

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	- 33 %
-------------------	--------

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Exhibition costs, where the exhibition will be toured for in excess of one year, are capitalised at the cost of building the exhibition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land	- Not depreciated
Freehold property	- 2% straight line down to residual value
Long-term leasehold property	- 4% straight line
Fixtures and fittings	- 5-33% straight line
Exhibitions	- Over the lifetime of the exhibition

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

2. Accounting policies (continued)

2.8 Heritage assets

The group has a collection of heritage assets which are held in support of their objectives and are used as a unique and inspiring resource to create exhibitions, artistic and learning and research programmes dedicated to celebrating children's books.

Acquisitions are made by purchase or donation. The heritage assets are included on the balance sheet on the basis of either:

- purchase price where material has been purchased on the open market;
- independent valuations by professional experts;
- valuations by Seven Stories staff using knowledge of the current market and the value of comparable works in the collection; or
- information provided by the National Audit Office for England and the acceptance in lieu panel.

It is not the intention of the trustees to dispose of any of the assets within the Collection. Any disposals would be subject to the approval of the trustees, although this would only happen in exceptional circumstances, and there must be sound curatorial reasons for disposal.

The items included within the Collection are deemed to have indeterminate lives and a high residual value; hence the Trustees do not consider it appropriate to charge depreciation.

Please refer to Note 14 of the accounts for further information on the heritage assets held by the group.

2.9 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Stock includes books, merchandise and cafe food and drink stocks.

2.10 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and cash and bank balances.

All such instruments are due within one year and are measured, initially and subsequently, at the transaction price.

At the end of each reporting period, financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

2.11 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

2. Accounting policies (continued)

2.12 Employee benefits

The group operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates and assumptions:

The key source of judgment within the financial statements is the valuation of heritage assets, as there is often no readily available open market valuation available. Valuation is assessed based upon other comparable items coming to the market periodically and is reviewed annually by Collections staff. It is not the intention of the Trustees of Seven Stories, The National Centre for Children's Books Collection Trust to dispose of any of the assets within the Collection.

Estimates included within these financial statements include depreciation and amortisation charges. None of the estimates made are considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustments to carrying amounts of assets and liabilities within the next financial year.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted capital funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	9,756	80,900	90,656	828,849
Total 2023	15,099	813,750	828,849	

5. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Visitor centre	580,278	-	580,278	668,301
Programme	93,069	8,770	101,839	101,838
Learning	68,028	24,261	92,289	107,934
Collections	127,545	878	128,423	155,006
Exhibitions	34,728	-	34,728	60,366
	903,648	33,909	937,557	1,093,445
Total 2023	1,002,994	90,451	1,093,445	

Seven Stories, The National Centre for Children's Books Limited
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 March 2024

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Cafe and bookshop sales	306,523	306,523	284,260
	<u>306,523</u>	<u>306,523</u>	<u>284,260</u>
	<u>284,260</u>	<u>284,260</u>	
Total 2023	284,260	284,260	

7. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Subsidiary trading expenses	159,002	159,002	142,262
Wages and salaries	99,784	99,784	93,563
Social security taxation	5,395	5,395	5,206
Pension costs	2,400	2,400	2,554
	<u>266,581</u>	<u>266,581</u>	<u>243,585</u>

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Visitor centre	738,471	264,750	1,003,221	1,018,472
Programme	13,722	-	13,722	47,741
Learning	16,828	65,631	82,459	89,722
Collections	58,606	48,694	107,300	123,532
Exhibitions	87,472	-	87,472	94,419
Development	250	-	250	-
	<u>915,349</u>	<u>379,075</u>	<u>1,294,424</u>	<u>1,373,886</u>
Total 2023	<u>963,457</u>	<u>410,429</u>	<u>1,373,886</u>	

The support costs have been allocated to each activity on the basis of headcount.

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
General office costs	88,478	83,150
IT support	354	6,630
Travel and accomodation	3,496	2,972
Subscriptions and licenses	3,112	5,293
Bank charges	3,965	4,460
Wages and salaries	237,989	257,833
Professional fees	41,681	50,091
	<u>379,075</u>	<u>410,429</u>

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

9. Auditor's remuneration

	2024 £	2023 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	19,700	18,750
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	1,600	1,600

10. Staff costs

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Wages and salaries	685,780	723,460	585,996	629,897
Social security costs	46,449	55,478	41,054	50,272
Contribution to defined contribution pension schemes	21,893	22,197	19,493	19,643
	754,122	801,135	646,543	699,812

The average number of persons employed by the group during the year was as follows:

	Group 2024 No.	Group 2023 No.
All employees	45	54

The average headcount expressed as full-time equivalents was:

	Group 2024 No.	Group 2023 No.
Visitor centre and learning	11	15
Collections	2	4
Trading	4	3
Management	8	8
	25	30

Seven Stories, The National Centre for Children's Books Limited
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 March 2024

10. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

Remuneration and benefits received by key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its trading subsidiary, Seven Stories Trading Limited.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the charity.

During 2023/24 they were:
Chief Executive – Wendy Elliott
Director of Systems and Operations - Mandy Baines
Finance Director - Lucy Smyth

The total employee benefits of the key management personnel of the group were £137,818 (2023: £132,181).

11. Intangible assets

Group and charity

	Computer software £
Cost	
At 1 April 2023	42,557
Additions	28,375
At 31 March 2024	70,932
Amortisation	
At 1 April 2023	13,447
Charge for the year	20,312
At 31 March 2024	33,759
Net book value	
At 31 March 2024	37,173
At 31 March 2023	29,110

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

12. Tangible fixed assets

Group and charity

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Exhibitions £	Total £
Cost					
At 1 April 2023	3,552,626	21,419	3,276,954	610,360	7,461,359
Additions	-	-	3,624	13,376	17,000
At 31 March 2024	3,552,626	21,419	3,280,578	623,736	7,478,359
Depreciation					
At 1 April 2023	2,552,626	15,422	2,920,548	439,729	5,928,325
Charge for the year	-	857	173,611	68,374	242,842
At 31 March 2024	2,552,626	16,279	3,094,159	508,103	6,171,167
Net book value					
At 31 March 2024	1,000,000	5,140	186,419	115,633	1,307,192
At 31 March 2023	1,000,000	5,997	356,406	170,631	1,533,034

Included in land and buildings is freehold land of £504,208 which has not been depreciated.

As detailed in note 25, Newcastle City Council and Arts Council England have a legal charge over the land and buildings.

Seven Stories, The National Centre for Children's Books Limited
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 March 2024

13. Heritage assets

Group

Assets recognised at cost or valuation

	Antiquarian books and manuscripts 2024 £	Total 2024 £
Carrying value at 1 April 2023	5,346,937	5,346,937
Additions	80,900	80,900
Carrying value at 31 March 2024	5,427,837	5,427,837

Charity

Assets recognised at cost or valuation

	Antiquarian books and manuscripts 2024 £	Total 2024 £
Carrying value at 1 April 2023	30,000	30,000
Carrying value at 31 March 2023	30,000	30,000

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

13. Heritage assets (continued)

5 year summary of heritage asset transactions

Group

	2024 £	2023 £	2022 £	2021 £	2020 £
Purchases	900	-	900	-	-
Donated assets at valuation	80,000	813,750	949,495	250,000	5,500
Transfers from stock	-	20,000	-	-	-
Total additions	80,900	833,750	950,395	250,000	5,500

Charity

	2024 £	2023 £	2022 £	2021 £	2020 £
Donated assets at valuation	-	-	10,000	-	-
Transfers from stock	-	20,000	-	-	-
Total additions	-	20,000	10,000	-	-

Management of heritage assets

Seven Stories complies fully with the standards required by the Museum Accreditation scheme, having first become an Accredited museum in 2008. Accreditation was renewed with National Styling in 2016.

The prime instrument of collection management is the Collection Management Policy, which Seven Stories executes on behalf of Seven Stories, The National Centre for Children's Books Collection Trust. Seven Stories and the Collection Trust have also approved the following related policies, covering all areas of collection management:

- Collection Development Policy
- Collection Information Policy
- Collection Access Policy
- Collection Care and Conservation Policy.

Nature and scale of heritage assets

Seven Stories is the only institution in the UK actively working to collect, preserve, conserve, exhibit and make available original manuscripts, artwork and related pre- and post- publication materials by the creators of modern and contemporary British books for children from the 1930s to the present day. The charity began collecting in 1996 and the Collection now comprises over 140 individual collections representing (to varying extents) the work of over 250 different authors, illustrators, editors and publishers and an estimated 35,000 books. Much of the work has been donated by the creators of the work or their families, though an acquisition budget coupled with external fundraising from sources including the Heritage Lottery Fund, the Art Fund, the ACE/V&A Purchase Grant Fund and the Friends of the National Libraries, has enabled a number of significant purchases.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

The nature and extent of the holdings of original material varies from work relating to a single title to substantial collections which document an entire career, and may include business records and correspondence with publishers, as well as manuscripts and artwork in various stages. A wide range of genres and formats is covered. Fantasy, historical fiction, picture books and drama are particularly well represented.

Among the most extensive writers' archives are those of Elisabeth Beresford, Peter Dickinson, Berlie Doherty, Diana Wynne Jones, Jan Mark, Michael Morpurgo, Beverley Naidoo, Martin Waddell, Robert Westall, Ursula Moray Williams and David Wood. Many others are also represented by significant bodies of work – for example Leila Berg, Lucy Boston, Leon Garfield, Eva Ibbotson, Clive King, Philip Pullman, Michael Rosen, Catherine Storr and Geoffrey Trease. The Collection also includes the largest Enid Blyton archive in public ownership (though sadly only a small proportion of her enormous output survives in manuscript or typescript form).

Around 120 illustrators are currently represented by original work, in a wide variety of techniques – from wood engraving (John Lawrence) to digital art (Chris Haughton) - and formats, from illustrated fiction to pop-ups. The most extensive collections include the Judith Kerr archive, comprising artwork for 24 titles, including *The Tiger who Came to Tea* (1968) and all of the *Mog* series (1970-2002) and the Helen Craig archive, which contains complete preparatory and finished artwork for 18 titles in the popular *Angelina Ballerina* series. Other extensive and/or highly significant holdings include work by – among others - Edward Ardizzone, Judy Brook, Faith Jaques, Harold Jones and Kim Lewis.

Acquisition of assets

Seven Stories, on behalf of the Collection Trust, is continuing to collect the following types of material dating from c. 1930 to the present day. Representative examples of work by seminal figures from earlier periods may be collected from time to time, where these provide a context for more recent work:

Original artwork and manuscripts by British writers and illustrators for children, in whatever format they were created, including new media

Pre- and post-publication materials

Related materials: e.g. correspondence, reviews, articles

Books in all their forms - including fiction and non-fiction, picture books, poetry, drama and prose, published work in new media formats, including audio and video tape, CD and DVD, and e-books.

Acquisition decisions are made with reference to a Collection Development Policy (updated 2015).

Current priorities include:

Work by or representing groups of people outside the mainstream of publishing for children, in particular work by authors and illustrators of non-white British origin.

Poetry - currently a significant weakness

Illustration – building on the strengths of the existing holdings

Young fiction – work aimed at children aged 7-11, in particular by more popular authors

First edition copies (where available) of texts represented by artwork and archival material in the Collection.

Preservation of assets

The charity is responsible for the care and conservation of the Collection under the terms of the management agreement with the Collection Trust. The collection care policy covers all aspects of preservation and conservation, from the moment an object enters the Collection, through storage, handling, display, loan, etc.

The policy is designed to ensure that Collection care at Seven Stories complies as far as possible with widely established standards and practices within the museums and archives community in Britain, for example BS5454, the ACE Accreditation Scheme, and Benchmarks for Collection Care.

Seven Stories, The National Centre for Children's Books Limited
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 March 2024

It sets standards and expectations in the following areas:

- Collection Content and Condition Monitoring
- Premises, Storage and Housekeeping
- Preventive conservation, including environmental monitoring and control, and integrated pest management
- Handling and Repackaging
- Remedial Conservation
- Disaster Planning.

It also covers best practice in digitisation, exhibitions, and transport of collections.

Disposal of assets
By definition, the Collection Trust has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The Board of Trustees therefore accepts the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any items in the Collection. Full details of the procedures to be followed in the event of a decision to dispose are given in the Collection Development Policy.

14. Fixed asset investments

Group	Listed securities £
Valuation	
At 1 April 2023	8,877
Revaluations	371
At 31 March 2024	9,248
Net book value	
At 31 March 2024	9,248
At 31 March 2023	8,877

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

14. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £	Listed securities £	Total £
Valuation			
At 1 April 2023	1	8,877	8,878
Revaluations	-	371	371
	<u>1</u>	<u>9,248</u>	<u>9,249</u>
At 31 March 2024	<u>1</u>	<u>9,248</u>	<u>9,249</u>
Net book value			
At 31 March 2024	<u>1</u>	<u>9,248</u>	<u>9,249</u>
At 31 March 2023	<u>1</u>	<u>8,877</u>	<u>8,878</u>

Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Holding	Included in consolidation
Seven Stories Trading Limited	04177830	n/a	100%	Yes
Seven Stories, The National Centre for Children's Books Collections Trust	n/a	1115167	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/ Surplus for the year £	Net assets £
Seven Stories Trading Limited				
Seven Stories, The National Centre for Children's Books Collections Trust	306,523 80,912	(266,581) (2,107)	39,942 78,805	39,944 5,403,800

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

15. Stocks

	Group 2024 £	Group 2023 £
Books and merchandise	18,392	33,193
Cafe food and drink stock	4,812	4,856
	23,204	38,049

The carrying value of stocks are stated net of impairment losses totalling £nil (2023: £nil). Impairment losses totalling £nil (2023: £nil) were recognised in cost of sales during the year.

16. Debtors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade debtors	49,124	15,407	19,929	8,264
Amounts owed by group undertakings	-	-	8,900	7,300
Other debtors	221	427	221	427
Prepayments and accrued income	40,005	59,361	40,005	59,077
	89,350	75,195	69,055	75,068

Trade debtors are stated after provisions for impairment of £nil (2023: £nil).

Amounts owed by group undertaking are unsecured, interest free and repayable on demand.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

17. Creditors: amounts falling due within one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade creditors	45,154	38,888	32,481	22,605
Amounts owed to group undertakings	-	-	10,740	2,042
Other taxation and social security	11,753	13,316	11,753	13,316
Other creditors	13,541	16,716	13,541	16,716
Accruals and deferred income	94,316	114,782	78,127	110,454
	164,764	183,702	146,642	165,133

Amounts owed to group undertaking are unsecured, interest free and repayable on demand.

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Deferred income at 1 April 2023	55,752	77,820	55,752	76,631
Resources deferred during the year	23,799	55,752	23,799	55,752
Amounts released from previous periods	(55,752)	(77,820)	(55,752)	(76,631)
	23,799	55,752	23,799	55,752

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
Designated funds						
Designated funds	10,249	-	-	-	-	10,249
General funds						
General funds	208,355	1,231,357	(1,352,589)	54,566	371	142,060
Total Unrestricted funds	218,604	1,231,357	(1,352,589)	54,566	371	152,309
Restricted capital funds						
Building purchase	750,156	-	-	-	-	750,156
Building improvements and purchase of other assets	540,246	-	(148,181)	-	-	392,065
Historic collections	5,324,995	80,912	(2,107)	-	-	5,403,800
	6,615,397	80,912	(150,288)	-	-	6,546,021

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

18. Statement of funds (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Restricted funds						
Unwin Charitable Trust	5,000	-	-	-	-	5,000
British Council	2,639	-	-	-	-	2,639
Helen Bailey	1,700	8,770	(5,981)	-	-	4,489
Heritage Lottery Fund - WSCF	4,473	-	-	-	-	4,473
Gillian Dickinson	45,473	-	-	-	-	45,473
BBC Children in Need	10,800	-	-	(10,800)	-	-
Foyle - WSCF	9,900	-	-	-	-	9,900
Garfield Weston	37,719	-	-	-	-	37,719
St Nicholas' Education Trust	3,828	(120)	(125)	-	-	3,583
Wolfson	35,219	-	(22,544)	-	-	12,675
Well Newcastle Gateshead	2,070	-	-	-	-	2,070
National Lottery Heritage Fund - Covid-19	2,562	-	(4,795)	-	-	(2,233)
LNER - On Board With Stories	3,246	-	-	-	-	3,246
Guy Readman	1,207	-	-	-	-	1,207
Community Family Hub East	5,414	-	-	-	-	5,414
Esmee Fairbairn	45,427	24,381	(24,683)	(43,766)	-	1,359
Other Funds	7,544	1,385	-	-	-	8,929
	224,221	34,416	(58,128)	(54,566)	-	145,943
Total of funds	7,058,222	1,346,685	(1,561,005)	-	371	6,844,273

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Designated funds	10,249	-	-	-	-	10,249
General funds						
General funds	201,311	1,314,839	(1,368,995)	62,351	(1,151)	208,355
Total Unrestricted funds	211,560	1,314,839	(1,368,995)	62,351	(1,151)	218,604
Restricted capital funds						
Building purchase	750,156	-	-	-	-	750,156
Building improvements and purchase of other assets	731,452	-	(143,685)	(47,521)	-	540,246
Historic collections	4,512,905	813,762	(1,672)	-	-	5,324,995
	5,994,513	813,762	(145,357)	(47,521)	-	6,615,397

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

18. Statement of funds (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Restricted funds						
Collecting Cultures	5,778	-	-	(5,778)	-	-
Unwin Charitable Trust	6,000	-	(1,000)	-	-	5,000
British Council	2,639	-	-	-	-	2,639
Helen Bailey	1,371	15,530	(15,201)	-	-	1,700
Heritage Lottery Fund - WSCF	19,000	-	(8,237)	(6,290)	-	4,473
Gillian Dickinson	45,473	-	-	-	-	45,473
BBC Children in Need	7,240	12,853	(9,293)	-	-	10,800
Foyle - WSCF	9,900	-	-	-	-	9,900
Garfield Weston	50,000	-	(9,519)	(2,762)	-	37,719
St Nicholas' Education Trust	2,190	5,778	(4,140)	-	-	3,828
Wolfson	57,763	-	(22,544)	-	-	35,219
Well Newcastle Gateshead	767	1,303	-	-	-	2,070
National Lottery Heritage Fund - Covid-19	10,799	-	(8,237)	-	-	2,562
LNER - On Board With Stories	3,246	-	-	-	-	3,246
Guy Readman	1,520	-	(313)	-	-	1,207
Community Family Hub East	5,821	-	(407)	-	-	5,414
Shears Foundation	-	5,000	(5,000)	-	-	-
Esmee Fairbairn	13,898	49,987	(18,458)	-	-	45,427
Other Funds	7,933	381	(770)	-	-	7,544
	<u>251,338</u>	<u>90,832</u>	<u>(103,119)</u>	<u>(14,830)</u>	<u>-</u>	<u>224,221</u>
Total of funds	<u><u>6,457,411</u></u>	<u><u>2,219,433</u></u>	<u><u>(1,617,471)</u></u>	<u><u>-</u></u>	<u><u>1,151</u></u>	<u><u>7,058,222</u></u>

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

18. Statement of funds (continued)

Restricted capital funds:

Building purchase - funds allocated solely for the purchase of the buildings at 30 - 34 Lime Street, which were converted into the Seven Stories Visitor Centre.

Building improvements and purchase of other assets - funds allocated for the improvement of the buildings at 30 - 34 Lime Street, which were converted into the Seven Stories Visitor Centre and the purchase of fixtures and fittings within the building.

Historic collections relate to the heritage assets held within Seven Stories, The National Centre for Children's Books Collection Trust.

Restricted funds:

Unwin Charitable Trust - towards the direct costs of preparing collection items for use in our exhibition and learning programmes for 12 months.

British Council – grant to fund an artist in residence event at Seven Stories with a Polish illustrator.

Helen Bailey - to support a new creative writing project for schools.

Heritage Lottery Fund WSCF - to provide funding for development of new exhibition space.

Gillian Dickinson - to support the young people's talent development programme.

BBC Children in Need - to deliver community activity with educational and well-being outcomes in the East End of Newcastle.

Foyle Foundation - to provide funding for development of our new exhibition space.

Garfield Weston Foundation - for exhibition co-curation and touring programme.

St Nicholas Education Trust – to support Reader in Residence programme at Byker and St Lawrance Primary

Wolfson Foundation - to provide funding for development of our new exhibition space.

Well Newcastle Gateshead – to deliver Food Stories multigenerational project in the East End.

National Lottery Heritage Fund re Covid-19 - Covid 19 Emergency Funding to cover working from home adaptations and Covid safety changes to Visitors Centre and City Library.

LNER - On Board with Stories - a programme of creative learning activities using books to support babies born during lockdown and their parents/carers.

Guy Readman - reader in Residence programme with Central Walker Primary School and West Walker Primary School.

Community Family Hub East - to provide Welcome to the World story packs 1) for pregnant mums and new babies born in East Newcastle; 2) for families participating in the Books for Babies courses; and 3) to families across East Newcastle to celebrate World Book Day.

Esme Fairbairn - to work with young people to develop new ways to access and engage with the Collection.

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

18. Statement of funds (continued)

Other funds relates to grants from:

Holocaust Memorial Fund; Jeremy Beecham Fund; Family Explorers; Friends of the National Lottery; Sebastian Walker Fund for Collection; Friends of British Library; The Pilgrim Trust; and James Knott Trust.

Transfers between funds in the prior year largely represent a reallocation of depreciation charged on restricted assets.

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted capital funds 2024 £	Total funds 2024 £
Tangible fixed assets	164,971	-	1,142,221	1,307,192
Intangible fixed assets	37,173	-	-	37,173
Fixed asset investments	9,248	-	-	9,248
Heritage assets	30,000	-	5,397,837	5,427,837
Current assets	73,681	145,943	7,963	227,587
Creditors due within one year	(162,764)	-	(2,000)	(164,764)
Total	152,309	145,943	6,546,021	6,844,273

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted capital funds 2023 £	Total funds 2023 £
Tangible fixed assets	242,632	-	1,290,402	1,533,034
Intangible fixed assets	29,110	-	-	29,110
Fixed asset investments	8,877	-	-	8,877
Heritage assets	30,000	-	5,316,937	5,346,937
Current assets	82,787	224,221	16,958	323,966
Creditors due within one year	(174,802)	-	(8,900)	(183,702)
Total	218,604	224,221	6,615,397	7,058,222

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	Group 2023 £
Net (expenditure)/income for the year (as per the Statement of financial activities)	(213,949)	600,811
Adjustments for:		
Depreciation charges	242,842	239,424
Amortisation charges	20,312	10,685
Losses/(gains) on investments	(371)	1,151
Donation of assets acquired	(80,900)	(813,750)
Decrease in stocks	14,845	8,920
Decrease/(increase) in debtors	(14,155)	36,654
Decrease in creditors	(18,938)	(54,742)
Net cash provided by/(used in) operating activities	(50,314)	29,153

21. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	115,033	210,722

22. Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	210,722	(95,689)	115,033
	210,722	(95,689)	115,033

Seven Stories, The National Centre for Children's Books Limited
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 March 2024

23. Contingent liabilities

There are legal charges over the land and buildings at 30-34 Lime Street, Newcastle upon Tyne, in favour of Newcastle City Council and the Arts Council England, which arose from capital grants awarded to the charity.

The grants are non-repayable provided that the property is not disposed of or used for purposes other than non-profit making culturally related activities, or the charity ceases to operate. The security given by the charges will be released after 25 years in 2029 by Arts Council England and 60 years in 2064 by Newcastle City Council.

24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £21,893 (2023: £22,197). Contributions totalling £3,625 (2023: £3,867) were payable to the fund at the balance sheet date and are included within creditors.

25. Operating lease commitments

At 31 March 2024 the group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	Group 2023 £
Not later than 1 year	31,958	32,793
Later than 1 year and not later than 5 years	612	32,585
	32,570	65,378

Seven Stories, The National Centre for Children's Books Limited

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2024

26. Related party transactions

No member of the board received any remuneration during the current or prior year.

During the year, 1 Trustee (2023: 1) received reimbursed expenses of £732 (2022: £230) in respect of travel and subsistence costs. The amount owed at the year end, included in the charity's creditors, totalled £113 (2023: £230).

During the course of the year, the charity made payments on behalf of the subsidiary, Seven Stories, The National Centre for Children's Books Collection Trust, totalling £1,600 (2023: £1,600). The amount owed at the year end, included in the charity's debtors, totalled £8,900 (2023: £7,300).

During the year the charity made recharges of £209,702 (2023: £254,013) to its subsidiary, Seven Stories Trading Limited, and the subsidiary made purchases totalling £259,075 (2023: £241,211) from the charity. The amount owed at the year end, included in the charity's creditors, totalled £10,740 (2023: £2,042).

The charitable company has received donations of £40,674 (2023: £71,285) from its subsidiary undertaking, Seven Stories Trading Limited, in the year. No amounts remain outstanding in respect of these donations at the balance sheet date.

One of the trustees, Nick Kemp, is leader of Newcastle City Council. All transactions with Newcastle City Council have been on an arm's length basis and therefore no additional disclosures are required.

One of our trustees, Matt McWhinnie, is Brand and Activity Manager at Fenwick. All transactions with Fenwick have been on an arm's length basis and therefore no additional disclosures are required.

27. Post balance sheet events

Since the year end, probate was granted on a legacy for which the trust expects to receive around £170,000.

28. Controlling party

The charity is controlled by the Board of Trustees.